

Proposal for Changes in the Organization  
of the Programs Analysis Division

Mission of the Division

The Programs Analysis Division is responsible for research and reporting on those aspects of defense and space programs of Communist countries that include military and science budgets, direct costing of known and estimated defense programs, military-economic resource analysis, military manpower trends, strategic evaluation, and military policy and doctrine.

The Division not only looks broadly across most of the intelligence problems studied by OSR (as does the Regional Analysis Division on a current intelligence basis), but also studies numerous aspects of these problems in depth and within an extended time framework (as do the Forces Division for individual weapons systems and forces). The Division is primarily concerned with the USSR, but an embryonic costing effort on China and Eastern Europe exists and will be developed further.

The Division is also responsible for establishing the necessary research planning and coordination of the Agency's military costing efforts to meet the community-wide responsibilities of CIA in this field. These responsibilities, which were established by agreement between the Office of the Secretary of Defense and the Director of Central Intelligence in 1965, continue to be an important part of CIA's role in the area of military intelligence analysis.

Relations of Programs Analysis Division with other Components:

Efficiency in the organization and operation of the Programs Analysis Division, within the Office context discussed above, means that the Division and its Branches must:

- a) Draw on support from the research efforts of the Branches of the Forces Divisions for production, deployment, costing, and manpower information, at the level of individual weapons systems, and to support those Divisions on the expenditure and manpower implications of their estimates.

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b) Provide current intelligence support to the Regional Analysis Division on the broader issues of relations among the forces and missions, strategic concepts, and the ways economic resources are used to further the strategies and achieve the objectives of the nations studied.

c) Ensure enough parallelism in working approaches for compatibility and comparability between the Division's analysis and methodologies and the work of the other components of OSR. The responsibilities of OSR to provide community-wide support on military program costs and military economic analysis requires careful control and monitoring of OSR analysis in these fields.

The Division is supported by and coordinates with:

a) Other OSR Divisions on missions, forces and weapons trends, including certain cost generating activity such as manpower, O&M levels, and US/Foreign equipment analogs and costs.

b) The Office of Economic Research on certain aspects of economic activity relevant to military-economic analysis, including nuclear power programs, communications systems, the electronics industry, budget and plan analysis, construction, and the relationship of alternative military programs to the economy.

c) The Office of Computer Services on its ADP programs.

d) The Office of Scientific Intelligence and the Foreign Missile and Space Analysis Center on numerous aspects of scientific, space, and weapons programs where DDS&T reports and studies are used as inputs to OSR analysis.

#### Present Structure and Proposed Changes

The proposed changes are directed at three central issues. These are briefly identified below, together with a brief of the proposal to deal with the problem. Details are set forth at greater length in following sections.

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Problem #1: Analysis of the economics and resource implications of Soviet military R&D and space programs needs to be emphasized and made more commensurate with the significance of the topic, the interest of consumers, and the level of national resources devoted to this aspect of national defense planning. The expenditure implications of Soviet R&D activity should be developed in terms more comparable to other OSR monetary series.

Solution: Change the name of the Space Systems Branch to the Technical Resources Branch (PA/T), take it from the Strategic Forces Division and place it in the Programs Analysis Division, augment it by two positions taken from the Military Expenditures Branch, and redirect its focus to include the broader analytical problems of aggregate technical resources.

Problem #2: The Strategy and Trends Branch (PA/S) needs to be organized and oriented to involve it more deeply and directly in the use of analysis and techniques coming out of other components.

Solution: The analytical techniques and source materials utilized by this Branch should be broadened to include more quantitative analysis of observed force levels and activities in relation to what Soviet strategists are saying about their forces and their objectives. As a stimulant to this kind of analysis, and to ease the management problem in PA/M, I plan to put the Arsenal Exchange Model in this Branch, along with one position taken from PA/M. The Branch would be renamed the Strategic Evaluation Branch.

Problem #3: The Military Expenditures Branch (PA/M) needs a sharper central team to identify and delineate its role in the estimative process, in the production of reports and memoranda, and in the support it provides to other Division and Office components.

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Solution: Focus the Branch effort more toward economic research and the role of military-economic considerations in military planning. Research tasks should support the common need of the SCAM and Military-Economic Planning Computer Models on prices and costs, on Defense industry organization and on budget analysis. The Branch would be renamed the Military-Economic Planning Branch.

Details on Mission and Staffing of Branches

- a) The proposed new organization of Programs Analysis Division is shown in diagram form in Tab A.
- b) The individual Branch missions are stated in more expanded form in Tab B.

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